IMT Nuremberg Archives

H – 3247

International Court of Justice

H3247 - 0002

3544-PS 212

Testimony of Walter Funk, taken at Nurnberg, Germany, 22 October 1945, 1430-1645, by Lt. Col. Murray Gurfein, IGD, USSC. Also present: Capt. H. W. Frank, Interpreter and John Wm. Gunsser, Court Reporter.

(19)

COL. GURFEIN TO THE WITNESS:

Q Remember we talked yesterday about the period just before the outbreak of the war with Poland, that is, the several months preceding?

A Yes.

Q And I called your attention to the fact that you had some discussion with Goering in that period, do you remember?

A Yes.

Q Now, you said that you were going to think it over, and I want to ask you this afternoon what you thought about that.

A Yes. I remember two things which are very important. First, that I wasn't in Berlin at all during July. In July I was undergoing treatment because of my diabetes in Kissingen. And as far as I remember I came back from there at the beginning of August, so that all these discussions could only have taken place as late as August. Further, I remember the following: some time about the middle of August I lunched with the Fuehrer, together with a lot of other people. During the lunch, the tension with Poland was discussed. After the lunch the Fuehrer told me that he had put proposals to Poland regarding Danzig and the Corridor, and that he was under the impression that the Poles would accept these proposals. But that it was also possible that the Poles, under the protection of the British guarantee, would become more hostile towards us.

And during that discussion I briefly explained to the Fuehrer that in the event of such a war it would be important that prices and wages and finances were controlled in such a manner that the banks of issue would exert their

H3247 - 0003

influence by means of war taxes; and that it now became clear to me what the passage in this letter refers to, namely, that I had already talked with the Fuehrer about that matter. And that must have been before my birthday, that is to say, the 15th or 16th of August, since he did not set forth congratulations to my birthday in that letter. My birthday is on the 18th of August. Therefore I can imagine that I may have told the Fuehrer -- although I cannot remember exactly that I proposed to talk to Goering about these matters, since he was responsible in that respect.

Since furthermore Goering informed me or had me informed that he discussed these matters with the Fuehrer, probably via Neumann, and that the Fuehrer was in agreement with my plans. It is probable, therefore, that the Fuehrer has discussed, probably in the presence of Neumann, these civil economic questions and particularly the points referring to prices, wages, etc. And furthermore, Goering would have reported to the Fuehrer on the subject and would have had me informed probably through Neumann that I should occupy myself with these questions. Any nomination for the plenipotentiary of economy did not take place before the 26th of August, something which I gathered from the indictment. Subsequently it is probable, and I seem to remember that I have had conversations with Goering on these subjects, and I remember one conversation during which Neumann was also present. And on that occasion Goering gave me the task to negotiate with my ministerial colleagues in accordance with my own proposals.

Q So that just to clarify it, when you saw Hitler, as you say, in the middle of August, Hitler told you if he could not succeed by negotiation with the Poles in effect that he would have to attack them; is that correct?

H3247 - 0004

3544-PS

A I wouldn't put it precisely like that, but in any case he must have expected the possibility of a war.

Q And that is what he told you in effect, that you were to take part in the preparation of this war?

A No, but that the proposals that I had mentioned to him referring to prices, wages, etc., should be discussed between Goering and myself.

Q But when the Fuehrer told you that war was likely to come you volunteered the suggestion that you ought to get up a plan for the control of wages and prices; is that right?

A That is correct, yes, and that is the explanation for the wording of the letter referring to my proposals. That refers to the conversation with the Fuehrer. That has now come back to me. That was about the middle of August, which was the last time I saw him before the actual outbreak of the war.

Q So that you were a man who always felt that you could not successfully prosecute a war without internal control of the economy by way of price and wage regulation?

A Yes, certainly. If a war was to break out, price and wage controls were necessary, and these things would have to be fixed to prevent the Reichsbank from having to meet considerable expenditure right away. These war measures had been prepared by the Minister of Finance ~~Bentley~~ separately from me already. He was proposing a simply colossal taxation for that event, which appeared quite unnecessary to me, and I said if he introduced it everybody would go bankrupt.

Q How long before that were these tax plans made before the contingencies of war?

A That was all around about the same time.

 (FUNK)

094371

H3247 - 0005

Q . And that was part of the program that you were coordinating for Hitler?

A Yes, that was part of it; that was included in the points. And subsequently from that the Minister of Finance had made similar preparation, which in my opinion went much too far.

Q So that in effect you were urging upon the Fuehrer a total preparation for war, and you were in effect preparing for the war itself within your own sphere?

A Well, I don't know about total war; we are only concerned here with the war against Poland.

Q You don't understand me. When I say total war I mean the total regimentation of the economy for war.

A Yes; and the fact that I was against such far-reaching measures as proposed by the Minister of Finance can be explained from my conviction that I did not think that there would be a world war, but that I was thinking simply of a war against Poland, because if one was of the opinion that a world war was about to break out the preparation would have been quite different.

Q Yes, but that means that you thought that you could have a war against Poland without the other powers interfering; is that right?

A Yes, certainly. And that was my personal conviction and everyone else's, that England would not start a war for the sake of Danzig.

Q And also you did not consider it to be excluded that the Poles would resist any diplomatic attempt to get Danzig, and that it might be necessary to attack them?

A Yes, but the Fuehrer said during that lunch that he thought that the Poles would accept those proposals regarding Danzig, which in fact were eventually made to the Poles.

Q Yes, but he also said that in the event he could not succeed diplomatically he would have to go into a war?

A Well, he himself didn't say that, but it was my own personal opinion that in the event of failure of political efforts of war against Poland being inevitable; he himself never said that.

Q Why did you think that?

A Because the situation in Poland deteriorated from day to day, which was later on confirmed by people coming back from Poland. I myself had relations there, and the conduct of the Poles was unforgiveable.

Q So that you felt you would have to, if they did not agree peaceably, to force them by arms to get rid of this situation?

A Yes, because the Poles carried things so far that we in Germany no longer had any other possible way. And after all, Germany at that time was already a very powerful country. You can't take just everything from the Poles.

Q You mean you could not take insults from the Poles?

A After all, Germany could only condone this sort of thing up to a point, and there were incidents at the frontier when Germans were massacred; they had their noses and ears cut off.

Q You knew at that time that German propoganda said for a long time that it had been going on all summer?

A Yes, but it was later on confirmed by Germans, in fact, by my own relatives who were living in Conatz in Poland, just how the Poles treated the Germans there and what dreadful things they committed against them.

Q So you agreed with Hitler that the only thing to do was to liquidate the Polish problem, and if it could not be done by diplomacy it should be done by force of arms; is that right?

(FUNK)

H3247 - 0006

H3247 - 0007

A Yes, but I didn't actually make the statement on the subject because I didn't have the authority to discuss that sort of thing with the Fuehrer. But it was my own conviction that that was the action which events would have to take.

Q But the effect of the conversation that you yourself related with the Fuehrer, as you say, in the middle of August 1939 was to cause you immediately to tell the Fuehrer what economic preparations should be made for war?

A Yes, because that was my duty. If war was about to break out then one had to make the necessary preparations.

Q Yes, but you wouldn't have been afraid to tell the Fuehrer any such thing if the Fuehrer told you that he was going to get a peaceful settlement? How could you suddenly tell him you were going to prepare for war?

A No, because one also had to tell him that certain preparations had to be made in the event of a war.

Q But you just told us you couldn't speak about such matters with the Fuehrer.

A No, but one had to tell the Fuehrer that in the event of an outbreak of war that these, that, and these measures had to be taken for such an emergency.

Q But that means you felt that you were the one that decided that war was likely to come, and that Hitler gave you no such intimation. How could that be?

A Well, no, I personally, and everybody else I knew, was convinced that the solution to the problem could be found in the diplomatic field, but if this should fail it was our duty and my personal duty to see to this, that should war break out that necessary economic preparations were made.

Q But it wasn't for you to suggest to the Fuehrer, was it?

H3247 - 0008

3544-PS

A Well, no. If one discusses that sort of thing with the Fuehrer, and he suggests that the diplomatic effort would succeed whilst on the other hand the possibility of a conflagration cannot altogether be excluded, then it was the duty of the Minister of Economy to put before the Fuehrer such economic measures as I considered necessary.

Q Only because you thought that war was imminent?

A Not because I thought so, but because I visualized that possibility.

Q And the possibility, as you said, was because the British might intervene?

A No; because the Poles, under protection of British guarantee, refused to be reasonable and forced us into war.

Q Now, in connection with the events I asked you about in 1941, put your mind back on that for a moment, will you. Do you remember you said that you knew about the likelihood of an attack upon Russia in June or July of 1941?

A Well, the fact that there was a threat of a war against Russia was known to me in May and June 1941.

Q I want to ask you whether you didn't know it as early as the 20th of April 1941, when there was a decree by the Fuehrer appointing Rosenberg to take charge of eastern territory?

A Well, that I don't know. I don't know whether I have seen that decree.

Q Don't you remember appointing Schlotterer to be your secretary?

A Yes, but I don't remember whether that was on that date.

Q Don't you remember that it was several months before the attack on Russia?

A That I don't know. I can't remember exactly when I detached Schlotterer for duty with Rosenberg, but it must have been after the nomination of Rosenberg. It also tallies with the date of my conversation with Hess towards the end of

April. It was during the last days of April in Munich. It was then that Hess asked me whether I was aware of the fact that a war with Russia was threatening.

Q What did you say?

A I said, yes, that sort of thing is being talked about, naturally. And then Hess asked me, as I have told you before, how things stood regarding the Russian deliveries, and whether the loss of such deliveries would not be serious.

Q I want to refresh your recollection. You make it very difficult sometimes. The Fuehrer issued an order on the 20th of April 1941 appointing Rosenberg as a deputy for a centralized treatment of problems concerning the eastern territories?

A. I don't know whether I saw that. Well, I don't know. I can't say that. You would have to ascertain whether this decree was passed on to the department. That wasn't so easy in our case.

Q Isn't it a fact that this decree of the 20th of April 1941 by the Fuehrer was a very secret decree which was shown only to Goering, Funk and Keitel?

A I don't know that. If you say so it must be correct. But I don't remember it; I don't know.

Q Look, you keep saying that you knew nothing about high policy and that you were only a small man in effect.

A Yes, I was.

Q Now here we have a decree which is the first step towards the preparation of the war against Russia, and the only people in the Reich who were permitted to see it were Hitler, Lammers, that is the State Secretary, Keitel, Chief of the OKW, Goering, the delegate for the Four Year Plan, and yourself.

A In that case it must have been that this decree was only sent to the

084076

H3247 -0009

3544-PS

ministers who were members of the Defense Council of the Reich, and I was one of them, and that is possible.

Q But regardless of that, I want to ask you now whether you don't remember seeing the decree as early as two months before the attack on Russia?

A Well, yes, if it has been ascertained that it has been sent to me I must have seen it, but I cannot now remember that. It is possible, but I cannot deny it; it is so long ago.

Q In any event, based on this decree or based on this conference with Hess, and the other knowledge you had before that conversation, it is clear that in April 1941 you knew that a war with Russia was in contemplation?

A That a conflict with Russia was threatening.

Q And you knew that you had to mobilize your resources for an attack on Russia within a reasonable period of time?

A Well, I didn't have any mobilizing to do in that connection. All I had to do was to place at Rosenberg's disposal Schlotterer and various other people when his ministry opened. I couldn't introduce any measures in economy in this particular case. All this could concern was the strengthening of armament, which was not under my jurisdiction; but it was Goering's and the OKW's concern.

Q But it also had to do with the exploitation of the eastern territory after it was occupied?

A Yes, but that was a task for the Four Year Plan.

Q In which you appointed Schlotterer to cooperate with Rosenberg?

A Yes. I delegated him to Rosenberg, and Rosenberg, as far as these parts were concerned, were also subordinate to the Four Year Plan; because the only department which could give orders in that connection on economic subjects

H3247 - 0010

was the Four Year Plan.

Q But Schlotterer was put in there to be an economic advisor to the whole problem of the taking of properties out of the eastern countries, was he not?

A Yes, but only so far as the east. And as far as Rosenberg was concerned, I tried to avoid that Rosenberg should open a new organization, which is what he was proposing to do.

Q Why were you against that?

A Because this would have created another ministerial competitor on economic questions. We had enough competitors. We had the Four Year Plan, and this would have introduced another one.

Q So that you didn't want to give up the jurisdiction over economic matters in the eastern territories to Rosenberg; is that it?

A Well, jurisdiction isn't right. I wanted to avoid yet a new organization, and the handling of the matter was Rosenberg's concern. Therefore I detached Schlotterer and various other people to Rosenberg's office, and they did of course retain their connections with my office.

Q What kind of connections did they continue to have with you?

A They concerned mainly the collecting of consumer goods, because the raw materialquestions and some such business was handled by the Four Year Plan, in particular Pleiger. It was together with Rosenberg that we created those firms in the east, that is to say, we took firms in the Reich who had to carry out business in the occupied eastern territories. They had to buy out of their own funds. But nothing much materialized because the Army had already collected a very considerable amount of things. And as far as the important materials were concerned, such as coal, oil, etc., that was already being handled by the Four Year Plan and taken out. And the only subject on which I cooperated with Rosenberg,

H3247 - 0011

as far as the eastern territories were concerned, was that of these firms. But matters of an important nature, such as the collection of factories, smelting works, electric works, etc., that was dealt with outside the Ministry of Economics and I believe also outside of Rosenberg's organization.

Q But there is evidence, Funk, that every firm that got anything in the east had to go to you and Goering and get the agreement of both of you before they could do anything.

A No.

Q Now, in connection with consumer goods that you controlled, were coal mines included in that?

A No. Raw materials from occupied territories came under the Four Year Plan.

Q I am not talking about the occupied territory; I am talking about in general.

A Oh, I see. In 1941, coal mines in Germany still came under the Ministry of Economics.

Q When did you lose jurisdiction over coal?

A It was the middle of 1943.

Q That was at the time when you became a member of the Central Planning Board, was it not?

A That was the compensation which I was given for taking away from me the production questions.

Q But up to the end of 1943, when you say you were in charge of consumer industries, you were in charge of coal as well?

A Yes, until 1943 the coal came under the Minister of Economics.

Q So that requirements for coal miners, for example, were part of your

H3247 - 0012

H3247 - 0013

responsibility?

A No, I had nothing to do with miners; that was the concern of the Ministry of Work.

Q Didn't you have to ask for enough miners to keep up the coal production?

A Well, of course, if the mines were short of workers or had difficulty with the miners they could come to the Minister of Economy and tell him that they were in difficulty and the Minister of Economy then consulted with the Four Year Plan which in turn would settle the matter with the Minister of Labor.

Q But you had the responsibility then to insure through the Four Year Plan and Ministry of Labor a steady flow of laborers to work the coal mines that were under your jurisdiction?

A It wasn't my responsibility, but I had to intervene when the coal industry came to me and complained about the shortage of workers. In that connection I would have to take action.

Q And what kind of workers did you get for this? Were they all German workers or foreign workers or were some prisoners of war or what?

A What sort of workers eventually arrived in the mines was no concern of mine. That was decided by the Minister of Labor and later on by Sauckel, and later on Speer claimed additional authority, but I was in no way connected.

Q When did you first find out that foreign workers were being brought to Germany to work in the coal mines?

A That is another very difficult question. I assume that when workers became available in Russia some of them were transferred to the German coal industry.

Q I want to ask you: when did you first find out that the involuntary -- that is, that foreign workers who came against their will were first brought to Germany to work in the coal mines?

4 004080

3544-PS

A I can't say that at all, because I have never concerned myself with that question.

Q When did you first find out that foreign workers were being brought to Germany against their will in any industry?

A I don't know at all that foreign workers were brought to Germany against their will. That wasn't a task for the Minister of Economy.

Q I didn't ask you whether it was a task for the Minister of Economy; I asked you when you first knew about it. Do you want the record to stand as it is, that you were probably the only man in Germany that didn't know that workers were brought to Germany against their will?

A That could have only been after Sauckel was nominated. It was his task. Before that I never heard that workers in large numbers were forcibly transferred to Germany.

Q Were you ever present in any meeting where the task of Sauckel was defined?

A No, not which were concerned with the nomination of Sauckel.

Q I don't mean the nomination of Sauckel; I mean the discussions concerning Sauckel's functions and what the general program was going to be about labor.

A I believe that the first time that I was present at such discussion was when Speer was already in office.

Q What discussion are you referring to now?

A Such as referred to the transfer of foreign workers on a large scale to Germany by Sauckel.

Q You mean against their will?

A Well, that I don't know. Sauckel never said during such conferences that they were brought in against their will.

H3247 - 0014

Q But you knew? I just want to ask you. This is the first question: we will come to something important later. Certainly you knew that such a large number of people -- millions -- couldn't be brought to Germany voluntarily?

A Certainly. Well, yes, but you are referring to the statement by Sauckel that they were transferred against their will. That they did not come voluntarily was something, certainly, one would have to assume.

Q When you were asking for labor on behalf of the coal industry for the Four Year Plan from the Minister of Labor, you knew that among those who would be recruited for those mines would be many who were foreign workers brought involuntarily to Germany?

A That's right; yes. But there is something else I must say in that connection, that is, that such questions on behalf of the coal mines were made directly by Pleiger to Sauckel and had nothing to do with the Minister of Economy.

Q But you said a little while ago, did you not -- I listened to you very carefully, and it is perfectly clear what you said -- that first you had jurisdiction over the coal mines until late in 1943; second, that the coal mine owners came to you for a labor supply which you in turn would have to request from the Four Year Plan and the Ministry of Labor; is that correct?

A Yes, until Sauckel arrived and until Pleiger became the chief of coal questions. After that it was done by Pleiger independently.

Q Leave out the coal situation for the moment. You also required workers for the consumer industries which were under your jurisdiction; did you not?

A The consumer goods industries were restricted more and more every year. In fact, it had to concede workers to more important industries.

Q As a matter of fact, you were using German workers for security reasons

H3247 - 0015

in war production industries and therefore required a substitution of foreign workers in the consumer industries?

A Yes; but certainly no foreign workers on a large scale were used in the consumer goods industry at the beginning.

Q But later? What happened later? Didn't you finally use foreign workers in the consumer industry?

A Yes, but the consumer goods industry was deprived of every worker they could spare. They were deprived of more workers than any other industry. I fought continually against having to lose these workers from the consumer goods industry.

Q Wait a minute. When you went on to this Central Planning Board in the Fall of 1943 did you receive copies of the minutes after that.

A Yes.

Q As a matter of fact, you were present at many of the meetings, were you not?

A I only joined the meetings of the Central Planning Board when I required something for my own [illegible] sector, that is to say, something to do with sport and consumer goods industries; for example, iron, and I had to fight on each occasion to get just a few thousand tons for my consumer goods industry.

Q Yes, but during those meetings you attended you heard, did you not, discussions concerning foreign labor?

A Oh, yes, I did.

Q And you knew from those meetings that the policy was to bring in more and more foreign workers to the Reich against their will?

A Yes, certainly.

Q And you never objected to that, I take it?

H3247 - 0016

H3247 - 0017

A No. Why should I have objected? It was somebody else's task to bring those foreign workers in.

Q Did you believe it was legal to take people against their will from their homes and bring them into Germany?

A Well, many things happen in wartime which aren't strictly legal. I have never racked my brains about that. But there is another thing, and that is, that I tried my best to prevent the importation of too many workers from France, for instance, because we in the consumer goods section were interested to see that their industry at home was kept going.

Q Yes, but what about workers from the east, from the Ukraine, for example; you were interested in getting them into Germany to work, were you not?

A I personally, no.

Q But you were in agreement with the general policy?

A Well, that foreign workers should be brought into Germany from foreign countries, that I considered perfectly proper so that war production could continue and increase. But I was never aware that this was illegal.

Q Do you remember that in France there were collected properties held by enemy property custodians?

A That a custodian for enemy property existed, that is something I know, but I never concerned myself with the questions themselves.

Q Do you remember that there was a decision made in 1943 to utilise the funds in French banks by taking the deposits and putting them into the Aero Bank?

A Yes. Lange made a report on that to me. The vice-president of the Reichsbank, Lange, made a long report to me in which he explained to me that funds which were held under the jurisdiction of the custodian for enemy property were to be transferred to the Aero Bank so as to create liquid funds for war production.

H3247 - 0018

3549-PS

Q That is to say, these deposits stood in French francs, and the deposits were transferred to the Aero Bank, putting at the disposal of the German armament people French francs; is that right?

A No, that is not how I understood it to be. The way I understood it was that these liquid funds which were under the supervision of the custodian for enemy property were to be loosened so that they would be at the disposal of the entire French economic system. In fact, Lange, who was working in France -- I myself never went to France, in fact, I have never been to any occupied territory -- reported to me that the French were extremely pleased with this suggestion.

Q Don't you remember that the purpose was to obtain French francs which would be used to finance the armament industry in France?

A That has never been reported to me in that way.

Q Well, we have a letter from the military administration in France protesting against this transaction; and the Ministry of Economics that you were in favor of it.

A Well, I didn't write that letter. The way it was described to me was that this concerned a transaction in the money market such as did not exist in France, and that the French were extremely pleased to see that such a transaction was being carried out, and nobody mentioned the armament industry in that connection, and a protest was not mentioned to me.

Q You were buying a lot of goods in France at that time, were you not?

A We? Who?

Q You.

A As far as I was concerned I was only interested in consumer goods.

Q But you were also interested in money and exchange, because you were

003755

H3247 - 0019

the president of the Reichsbank?

A But that was done on the spot, and in conjunction with the Bank of France they had an official there whose name was Schaefer.

Q But you also had something to do with the Reichsverechnungskassen as well?

A Yes, but I don't know how they came into that transaction. That I don't know.

Q But the fact is that you were in general charge of the following: the Reichsbank, the Reichskreditkassen, and the Reichsverechnungskassen?

A Well, I wasn't chief of the Reichskreditkassen, but it is part of the money system.

Q Well, the whole clearing arrangement, for example, was under your general policy supervision; was it not?

A Yes, but I have never concerned myself with these matters in detail.

Q But now, basically, you were in charge, were you not, of the whole execution from a policy point of view of the clearing arrangements?

A Yes.

Q And as such you had a general policy control over the Reichsverechnungskassen, which were the banks for the clearing?

A Together with the Minister of Finance.

Q So that the question of how much should be exported and how much should be imported was partly within your jurisdiction?

A Yes, with reference to Verrechnungskassen. The jurisdiction of money matters was with the Minister of Finance and not me.

Q But with respect to the amounts of the clearings you had something to do with that; did you not?

3544-PS

A Yes, all this belongs into the problems of foreign trade, which now is handled by me alone, but was centralized and part of the Foreign Office. All departments which were interested in foreign trade were represented in the HPA, which is the trade political board. The chairmanship was held by the Foreign Office, and to this department the Armament Minister and the Minister of Food reported their claims; and the Minister of Finance was concerned with the execution of the program while the Minister of Economy and the Reichsbank were concerned with the technical execution of those matters.

Q So that the question of how much Germany was indebted or should be indebted to these countries was a problem that came within your jurisdiction?

A Not only my responsibility, but all those people concerned, including mine; but particularly the Minister of Finance.

Q But in any event, during these years of the war the amount of debts owed by Germany to these occupied and satellite countries increased greatly; did it not?

A Yes, but the responsible person for this debt of the Reich was in the first place the Minister of Finance.

Q Did you intend to pay back any of these credits after the war if Germany won?

A Yes, certainly. I have always emphasized that. I have always stated that publicly.

Q Don't you remember a meeting in 1944 in which you stated that it was unnecessary to consider that these debts would have to be repaid in the event of a German victory?

A I don't know what that conference was, but it was my point of view that

H3247 -0020

Doc No. 3544 PS cont'd

these clearing debts were genuine debts, and that Germany in the event of a victory would certainly be in a position to repay these debts by supplying goods. But that whenever foreign countries were concerned -- and this is probably what you are talking about now -- the question of reparations should have to be taken into consideration in this connection. But it was my idea that this whole problem of clearing debts would have to be included in the large reconstruction program in Europe.

Q Didn't you tell Hitler in 1944 that there was no intention to pay back these debts in the event that Germany won the war?

A No. How can Hettlage say things like that. Well, if for instance, these countries were to make reparations they could have been used to cancel these clearing debts.

Q That means that you had a clear idea that if Germany won the war you were going to impose reparations on the defeated countries?

A Yes; that they would have to pay some compensation.

Q Do you remember how much you figured out these countries should pay in the event of a German victory?

A I have never imagined any figures; that is quite impossible.

Q Well, don't you remember, for example, that you put forward that England should pay a billion in gold?

A No, I don't know about that.

Q Well now, don't you remember having a meeting on the 22nd of July 1940 at which you presided, with most of the ministers present, at which time you made that suggestion?

H3247 - 0021

H3247 - 0022

Q Well, I may have said something like that jokingly, but no reasonable person could imagine that I could have said a thing like that as early as 1940 and be serious about it.

Q As a matter of fact, you stated what you were going to do with this billion in gold; did you not?

A Well, I don't know about that.

Q Well, as a matter of fact you said that you would use it as a manipulation fund for the first imports, and that you would be able to discontinue rationing?

A Whoever said that must have had a vivid imagination. I can't remember this. It is quite unthinkable that one would think anything like that as early as 1940.

Q Don't forget that this was after the victory over France,

A Yes, but this is certainly wrongly represented.

Q Let me see. Weren't you told by Goering on the 22nd of June 1940 that you should do research on the problem of including into the greater German economy all annexed and occupied territory?

A Yes, that is quite right.

Q And immediately after that --

A Yes, Goering gave me a task in that connection.

Q Let me refresh your recollection further then. A month after this commission you received from Goering, didn't you call a meeting of the ministers to discuss these questions?

A Yes, that is possible. That I imagine.

Q Do you remember Ley, Darre, and Gross?

A I don't know about Ley.

Q And Wagner, Popitz, and Lammers?

H3247 - 0023

3544-PS

A Yes.

Q You do remember the meeting, don't you?

A Yes.

Q And in that meeting, I ask you, didn't you make the statement that you mentioned before, that in the event of a German victory, a billion dollars in gold was to be paid to Germany by England?

A Well, now, I don't recollect that at all. I can't remember what I said.

Q Do you deny that you said it?

A No, but I can't confirm it either.

Q But if the minutes show it you are ready to accept that as true?

A Yes, certainly, if the minutes say so.

Q Let me ask you further. Didn't you also say this, that the solution of the foreign indebtedness question is necessary to regain freedom of currency?

A Yes, that is quite probable, and it would be right too.

Q And didn't you also say that upon termination of the war there will not be any indebtedness to England, France, Holland or Switzerland?

A That I don't know any more.

Q Yes, but that is what I asked you before, Funk.

A Well, that I do not know any longer. I do not remember these details.

Q These are not details. I asked you before whether in connection with the clearing of debts you had not made the suggestion that it would be unnecessary to pay them in the event of a German victory?

A What I did say was that after a German victory, after the war,

H3247 - 0024

Germany would produce so many goods that they could be used to pay off these debts. After all, we couldn't ask Switzerland for reparations.

Q That is exactly the point; you included Switzerland.

A In that case this is being wrongly represented. That would mean that I was crazy. That is quite out of the question, and in that case I deny this because it is wrongly represented.

Q Let me ask you something else: Do you remember the gold that the SS was collecting from the concentration camps?

A I have never concerned myself with that gold.

Q Do you remember receiving gold into the Reichsbank from the SS?

A Vice-president Puhl once reported to me that an account for the SS did exist in the Reichsbank, but I never assumed that the Reichsbank could make use of this deposit since it was an account established for the SS.

Q Well, you know, Funk, that as a matter of fact, the Reichsbank sold that gold and converted it into money for the SS?

A I do not know that.

Q You know that at the beginning of the whole transaction you had a conversation with Himmler about it?

A About these questions? No, I never discussed them with Himmler.

Q The testimony is clear that you came back and reported to the Reichsbank directors of a conference that you had with Himmler before the gold was received?

A That is a point which I would certainly remember if I had talked to Himmler about this sort of thing, and I have never talked to him about it.

Q As a matter of fact, you came to people in the Reichsbank, Funk,—

H3247 - 0025

see if you can remember this now--you came to people in the Reichsbank and you told them that you had a conversation with Himmler in which he told you that there was certain gold of the SS that they wanted to put into the Reichsbank, and you instructed that that SS gold be received?

A No, that is not right. That is a wrong statement. I must deny that. I have no recollection of ever having discussed this matter with Himmler.

Q With whom in the SS did you discuss it?

A I have not discussed any such matter with anybody in the SS. Puhl merely made a report to me that such an account for the SS existed.

Q What was the reason for such a report? What was strange about this account?

A Puhl made that report to me together with other current reports, and I now remember exactly what he said. He said, we have also got a deposit from the SS, but I don't know what is in it.

It never occurred to me, however, that any such deposit could possibly be used by the Reichsbank.

Q But how many deposits do you have in the Reichsbank? You must have had thousands.

A Yes, certainly, but such deposits as this there was only one like that.

Q Like what?

A Well, a deposit which contained gold and foreign currency; although I don't know what was in them, really. The same question arose, for instance, when the problem arose where we were to take in gold from Holland. Once more my attitude was that this would have to be made a deposit which was not to get mixed up with the current accounts of the Reichsbank. And Puhl

(risk)

H3247 - 0026

and Wilhelm will be able to confirm that.

Q Yes, but the fact is this, that you knew there was gold in those accounts, didn't you--the SS accounts?

A Yes, that was reported to me by Puhl.

Q Puhl also told you, didn't he, that that gold consisted of gold teeth and other kinds of gold articles,--gold watches and all the gold that was taken from the people in concentration camps?

A I don't recollect that Puhl told me anything like that. Puhl even told me, if I remember rightly, I don't want to know what is in that deposit.

Q And were you in agreement that you didn't want to know what was in that?

A We didn't generally look into the deposits, and that was a deposit of the SS. And that these things came from concentration camps Puhl certainly did not tell me.

Q Why didn't you want to look into it?

A Me?

Q Yes.

A I have never concerned myself with these matters in detail.

Q What did you understand from Puhl when he said he didn't want to know what was in there?

A Well, probably that he was of the opinion that as this came from the SS this was a matter we had better not concern ourselves with, and it remained in the possession of the SS and was not transferred to the Reichsbank; it was a deposit; it did not become the property of the Reichsbank.

Q But Puhl came to you and asked your permission to retain this

H3247-0027

deposit; is that right?

A No. He only told me that the SS was opening such a deposit in the Reichsbank. The question of retaining it or not retaining it never cropped up; he simply reported to me together with other current affairs that a deposit was being opened by the SS.

Q But you knew that the account did not stand in the name of the SS, didn't you?

A No; to the contrary, I understood that was in the name of the SS.

Q You knew it was in the name of a person and not in the name of the SS?

A No, I did not know that.

Q That is what he was telling you, Puhl, didn't he?

A No, he did not mention the name to me; all he told me was, this is a deposit from the SS.

Q Why wouldn't it interest you?

A Well, because it is not a common occurrence that a political organization opened a deposit in the Reichsbank, and Puhl must have considered that this was something he ought to inform me about.

Q Returning for a moment to this question of the fine against the Jews that we discussed in 1938, Funk, you were a party to all the laws that were put into effect in November 1938 after the Cristar Week?

A I was only participating so far as the legal rulings of the Jewish property was concerned. So far as the fine was concerned I had not participated in that. This was a matter for the minister of finance.

Q All the decrees excluding the Jews from industry were yours, were they not?

A Yes. We had to do this because otherwise Jewish property would

H3247 - 0028

3544-5

have been free for everybody to loot, and we had to do something to protect it. And it was my proposal that the Jews should be allowed to retain any shareholdings, and that any property which they had to give over to other people they would receive an interest from the recipient. And their retaining their shareholdings, their retention of their shareholdings, was refused by Goering during a meeting, and so far as the interests on their property was concerned that was later on refused by the minister of finance. I must explain something to you in this connection. So far as my participation in this Jewish affair is concerned, that was my responsibility and I have regretted it later on that I ever did participate. The Party had always brought pressure to bear on me previously to make me agree to the confiscation of Jewish property, and I had refused repeatedly. But later on, when the anti-Jewish measures and the force used against the Jews came into force, something legal had to be done to prevent the looting and confiscation of all Jewish property.

Q You know that the looting and all that was done at the instigation of the Party, don't you?

(Here witness Wilps) That is when I should have left in 1938. If that I am guilty. I am guilty.

A Yes, most certainly. ~~Yes,~~ I admit that I am a guilty party here.

Q Well, now, just to make the record clear, this law which prohibited Jews from operating retail stores and wholesale establishments and other things was a law that you drafted yourself, was it not?

A Yes, because we had to make such legislation simply because if we hadn't done it the Jews would have been subjected to uncontrolled looting as had already been done. All that was a point as the result of which I should have resigned.

Q As a matter of fact, you predicted as the result of these decrees

A 094995 (FUNK)

H3247 - 0029

and other things that the Reich would become the possessor of a half billion shares of capital stock?

A Yes, that was my estimation of the Jewish property. But to start with--and this must be in the document--I demanded at the beginning of this affair that the shares should not be taken away from them.

Q Tell me, Funk, these measures against the Jews, weren't they taken at that time in 1938 partly as a preparation for the war, because you didn't want any important parts of the German industry to be under the control of Jews when the war came?

A I had never thought at that time that a war could happen. After all, that was in 1938.

Q In any event, with respect to the fine of a billion marks, you were present at the meeting where that was discussed, weren't you?

A Yes. It came from Goering or the minister of finance, and the minister of finance carried it out.

Q Well, now, just to come back to something that I was asking you about before, when you put Schlotterer into Rosenberg's ministry, how often did you see him after that?

A Very rarely.

Q But he was to report to you generally as your deputy, wasn't he?

A But that was generally done by my state secretary, Landfriede. I personally received Schlotterer very rarely to make reports.

Q In connection with the fixing of the occupation costs, you were concerned, were you not, as the president of the Reichsbank?

A Yes. They were fixed by the minister of finance and the OKW. And this is another point: I have always advocated a reasonable figure for these occupation costs so as to prevent the overdrawing of the French,

H3247 - 0030

overburdening of the French currency. And these moneys were used to buy in France.

Q What do you mean by that, Funk, that the occupation moneys were used? Levies were used to purchase goods in France; is that what you mean?

A Yes, certainly. The army must have used it for that purpose. Where would they have gotten the money otherwise? How was it possible otherwise that the army formations and Luftwaffe could make these purchases whilst I was fighting a continuous fight against the arrangements?

Q As a matter of fact, the plan was to buy goods on the black market in France, wasn't it?

A Yes, and where would they have had the money from otherwise? It must have come from the occupation costs in France.

Q That means then, that if they had no other money available, when they needed goods to bring into Germany they would have to use occupation money for the purchases?

A Well, it wasn't as clear as that, but the separate army formations must have been in the position of financial means not controlled by us which they must have used for these purposes. My state secretary, Hiller, Puhl, and Landfriede, if you interrogate them, will back me up and confirm that I have always fought against exploitation and against the fact that these means would be used to buy out these foreign countries.

Q Do you consider these men to be truthful men, Hiller, Puhl, and Landfriede?

A Yes, I would. They will confirm that, and I sent dozens of letters on that subject to Goering, the minister of finance, Lammers, Bormann, and all these people asking them not to break the financial system in these countries.

H3247 - 0031

Q Yes, but you know that purchases were being made through these various corporations, including the Rogus Corporation, with moneys obtained from occupation levies?

A Yes, but Rogus was a controlled affair. That I believe was controlled, and these were regular business matters.

Q But where did Rogus get the money to make his purchases?

A They must have received these moneys from the ministry of economy. This was a matter which was controlled. These moneys must have been allotted to them for the purpose of making regular purchases.

Q But I want to ask you, wasn't part of the money that they used moneys which were obtained from occupation levies against the French?

A So far as these normal purchases were concerned, certainly not; they were done via clearing. These were controlled purchases controlled by the ministry of economy.

Q Well, the amount of the clearing purchases though was dictated by the Reich, were they not?

A You can't say dictated; you can say granted.

Q But the point is that the German Reich owed three accounts already, and weren't you in effect making these people give further credit to Germany?

A Yes, but these purchases were part of normal business and something was supplied in exchange.

Q But that is silly, because the net balance was always in favor of Germany?

A Yes, always passive. But what I want to say is that any part of the occupation costs which were expended were used for the army formations

H3247 - 0032

and used by the buyers and crooks, etc. We were always wondering where the financial means for these giant purchases were coming from.

Q Well, did you ask anybody about them?

A We always tried to find out where they came from, but in vain. We didn't know who was using them. It must have been the minister of finance.

Q We will come back to this some other time, Funk. I want to ask you one thing. Do you remember that in your discussion in the spring of 1941 with respect to the war against Russia that there was a date fixed of the 15th of May as the date on which all preparations had been finished—as early as the time you were discussing it in April?

A Nobody knew about a date.

Q Well, didn't you ever see an order from Hitler as far back as December 1940, December 18, 1940, saying that all long-term preparations would have to be finished for the Russian war by the 15th of May 1941?

A No, I have never seen such an order from Hitler.

Q You still say that the first time you heard about the proposed war with the Russians was in April of 1941?

A Yes, approximately April 1941.

- o - o - o - d -

APPROVED:

(Interrogator)

/s/ W. Frank

(Interpreter)

/s/ John Wm. Gunsser

(Reporter)

034799

(VSM)

H3247-0032A

3544-PS

H3247 - 0033

OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

EVIDENCE DIVISION

Date : 22 July 1948

I certify that Document Number 3544-PS was introduced into evidence as Exhibit Number USA-660 in the Trial by the International Military Tribunal of Hermann GOERING, et al, which commenced on 20 November 1945, and that the attached photostat is a true and correct copy of the original.

Fred Niebergall
Fred NIEBERGALL
Chief, Document
Control Branch.

H3247 - 0034

C E R T I F I C A T E

I hereby certify that the annexed document 3544-PS No. USA - 660 is a photostat of an original document submitted in evidence by the United States Prosecution under this number. The original document has been withdrawn in accordance with Rule 10 of the International Military Tribunal, and to the best of my knowledge and belief is to be held at the National Archives, Washington D.C. .

Nuremberg, 6 July 1948

Paul Joosten

PAUL A. JOOSTEN

General Secretary
International Military
Tribunal

H-3247

NO. NAME
EXHIBIT USA 660 (3544-PS)

EXHIBIT USA

660

(3544-PS)

A 094367

H3247 – 0035

H3247-0036

31 pages